

SECRET

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010089-3

Copy

Nº

398

BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/89

6 July 1959

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

JUL 9 1959 REC'D V

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010089-3

SECRET

W A R N I N G

THIS MATERIAL CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, U.S.C., SECTIONS 793 AND 794, THE TRANSMISSION OR REVELATION OF WHICH IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

**Printed and Disseminated by
Central Intelligence Agency**

Summary of Events
19 June - 2 July 1959

Recent Soviet-Indian discussions clearly indicate an increased degree of Soviet participation in the economic developments of India. Agreement apparently has been reached on Soviet aid in the construction of a heavy machinery plant, new facilities at the Bhilai steel plant, a mining machinery plant, and an optical glass plant as well as in the establishment of an engineering design organization.

Two oil-drilling rigs from Rumania arrived in India in June. Rumanian technicians are expected to assemble the equipment at Cambay, Bombay, and to begin training of Indian personnel.

An Afghan official has announced that his government is negotiating with the USSR for the construction of a new airfield to be included as a part of the Soviet-Afghan economic and technical assistance agreement signed on 28 May. A site in the Helmand Valley (Girishk) in southern Afghanistan is under consideration.

The notorious Madu Kismo sugar mill, which was built by East Germany for Indonesia in Jogjakarta, was recently reopened. The mill was originally completed in 1958 but broke down immediately after its inauguration. The East German builders hinted at sabotage, and the Indonesian sugar planters claimed \$1 million in compensation for losses suffered because of the failure of the plant.

Syria has announced that the \$15.2 million petroleum refinery which was built by the Czechoslovak firm Technoexport at Homs has been completed. Three hundred Czechoslovak experts are still employed at the refinery.

On 29 June the United Arab Republic accepted, with modifications, Soviet plans for the construction of the first stage of the Aswan High Dam.

C O N T E N T S

	<u>Page</u>
I. South Asia	1
A. India	1
1. Soviet-Indian Aid Negotiations	1
2. Rumanian Petroleum Activities	2
B. Afghanistan (Negotiations for a Soviet-Built Airfield)	2
II. Southeast Asia (Reopening of East German Sugar Mill in Indonesia)	2
III. Middle East and Africa	3
A. Current Soviet Bloc Activity in Iraq	3
B. Czechoslovak Completion of Oil Refinery in Syria	3
C. Acceptance by the United Arab Republic of Soviet Plans for the Aswan High Dam	4

25X1

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010089-3

Next 4 Page(s) In Document Exempt

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010089-3